

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

December 9, 2005

10:00 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - October 28, 2005

III. CHAIR'S REPORT

IV. COMMITTAL OF FUNDS

County

E136 M&M Irr. Co.

Sanpete

E182 Utland Ditch Co.

Duchesne

E189 Davis & Weber Cos. Canal Co.

Weber

L549 Elwood Town

Box Elder

V. SPECIAL ITEMS

E104 Tropic & East Fork Irr. Co.
(Amendment)

Garfield

E138 Chester Irr. Co. (Amendment)

Sanpete

N226 New Escalante Irr. Co. (Amendment)

Garfield

VI. DAM SAFETY CONSTRUCTION FUNDING

C012 Enterprise Dam

Washington

VII. DIRECTOR'S REPORT

VIII. APPROVAL OF 2006 MEETING SCHEDULE

IX. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

December 9, 2005

8:30 a.m.

- | | | |
|------|------------------------|----------------|
| I. | WELCOME/CHAIR'S REPORT | Chairman Flint |
| II. | DISCUSSION OF PROJECTS | Board/Staff |
| III. | OTHER ITEMS | |

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

December 9, 2005

Funds Available for Projects This FY \$ 7,300,000

Projects Contracted This FY

1 Piute Res & Irr Co (Piute Dam; Amend)	C022	Grant	**	142,500
2 Piute Res & Irr Co (Piute Dam; Amend)	C022	Loan	**	7,500
3 DMAD Co	C031	Grant	**	2,166,000

Total Funds Contracted	\$ 2,316,000
Funds Balance	\$ 4,984,000

Projects with Funds Committed

1 Kanab Irr Co	D968		\$	377,000
2 Kays Creek Irr Co (Adams Dam; Amend)	C001	Grant	**	4,000
3 Bryner-Ploutz Ditch Co	E164			116,000
4 Deseret Irr Co	E179			88,000
5 San Juan WCD (Amend)	C026	Grant	**	780,000
* 6 Utland Ditch Co	E182			270,000
* 7 Chester Irr Co (Amend)	E138			16,000
* 8 M&M Irr Co	E136			976,000
* 9 Enterprise Res & Cnl Co (Lower Ent Dam)	C012	Grant	**	180,000
* 10 Enterprise Res & Cnl Co (Lower Ent Dam)	C012		**	20,000
Commitments for Dam Safety Studies			**	<u>136,000</u>

Total Funds Committed	\$ 2,963,000
Funds Balance	\$ 2,021,000

Projects Authorized

1 Deseret Irr Co	E056	\$	312,000
2 Hi-Country Estates Homeowners Assn	E127		406,000
3 Lincoln Culinary Water Corp	E165		276,000
4 Cub River Irr Co	E173		680,000
5 Circleville Irr Co	E166		115,000
6 Dry Gulch Irr Co	E176		<u>221,000</u>

Total Funds Authorized	\$ 2,010,000
Remaining Funds Available	\$ 11,000

*To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

December 9, 2005

Funds Available for Projects This FY	\$ 4,931,000
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Bonds Closed This FY

Total Bonds Closed	\$ -
Funds Balance	\$ 4,931,000

Projects with Funds Committed

1 Centerville City	E155	156,000
2 Kamas City	L550	\$ 1,879,000

Total Funds Committed	\$ 2,035,000
Funds Balance	\$ 2,896,000

Projects Authorized

1 Town of Mantua	L553	508,000
2 Corinne City	L555	326,000
3 Lindon City	L554	256,000

Total Funds Authorized	\$ 1,090,000
Remaining Funds Available	\$ 1,806,000

*To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund

Funding Status

December 9, 2005

Funds Available for Projects This FY **\$ 18,902,000**

Projects Contracted/Bonds Closed This FY

1 Leeds Water Co	E132	1,006,000
2 Center Creek Culinary Water Co	E020	877,000

Total Funds Contracted/Closed	<u>\$ 1,883,000</u>
Funds Balance	<u>\$ 17,019,000</u>

Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 St George & Washington Canal Co (Ph 1&2)	E129	6,600,000
3 Centerfield Town	L547	255,000
4 Gunnison City (Amend)	E088	490,000
* 5 Elwood Town	L549	1,530,000
* 6 Davis & Weber Counties Canal Co	E189	<u>1,807,000</u>

Total Funds Committed	<u>\$ 10,705,000</u>
Funds Balance	<u>\$ 6,314,000</u>

Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Uintah WCD (Island Ditch)	E036	342,000
3 Richland Nonprofit Water Co	E087	335,000
4 Lake Creek Irr Co (Ph 2)	E102	300,000
5 New Escalante Irr Co	E077	300,000
6 St George & Washington Canal Co (Ph 3&4)	E129	4,400,000
7 Ashley Valley Res Co	E145	1,489,000

Total Funds Authorized	<u>\$ 10,353,000</u>
Remaining Funds Available	<u>\$ (4,039,000)</u>

*To be presented at Board Meeting

BOARD OF WATER RESOURCES

December 9, 2005

ADDITIONAL ACTIVE PROJECTS	Fund	Est. Board Cost	Total Cost
Projects Under Investigation			
1 Keith Johnson	D996 RCF	\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067 RCF	187,500	250,000
3 Rock Dam Irr Co	E083 RCF	37,500	50,000
4 Downs Ditch Water Co	E139 RCF	281,250	375,000
5 Co-Op Farm Irr Co	E140 RCF	374,250	499,000
6 Anderson, Felt, Winters Ditch Co	E141 RCF	148,500	198,000
7 Felt, Peterson, Slater Ditch Co	E142 RCF	148,500	198,000
8 Huntsville South Bench Canal Co	E143 RCF	258,750	345,000
9 Emmertsen Irr Co	E144 RCF	86,250	115,000
10 Huntsville Irr Co	E146 RCF	627,000	836,000
11 Vernon Irr Co	E158 RCF	37,500	50,000
12 West Cache Irr Co	E160 RCF	150,000	200,000
13 Loss Creek Irr Co	E167 RCF	111,000	524,000
14 Kingston Irr Water Co	E169 RCF	85,000	240,000
15 Greenwich Water Works Co	E171 RCF	112,500	250,000
16 Bullion Creek Irr Co	E172 RCF	75,000	100,000
17 Fountain Green Irr Co (Birch Creek)	E174 RCF	30,000	40,000
18 East Panguitch Irr Co	E175 RCF	375,000	500,000
19 Twin Creek Irr Co	E180 RCF	300,000	400,000
20 North Creek Irr Co	E181 RCF	232,500	310,000
21 Parowan South Field, Inc	E183 RCF	255,000	340,000
22 Otter Creek Res Co	E184 RCF	180,000	240,000
23 Fountain Green Irr Co (Well)	E185 RCF	112,500	150,000
24 Fountain Green Irr Co (Flow Augment)	E186 RCF	75,000	100,000
25 Parowan City	E121 CWL	158,250	211,000
26 Town of Vernon	L551 CWL	189,000	252,000
27 Marysville Town	L552 CWL	131,250	250,000
* 28 Gunlock SSD	E188 CWL	502,500	670,000
29 Woodruff Irrigating Co	D680 C&D	600,000	800,000
30 Kane County WCD	D828 C&D	1,500,000	2,000,000
31 Uintah WCD (Leota Bench)	D944 C&D	750,000	1,000,000
32 Gunnison Butte Mutual Irr Co	E004 C&D	10,500,000	14,000,000
33 Hyrum Blacksmith Fork Irr Co	E047 C&D	1,230,000	1,640,000
34 East Juab County WCD	E071 C&D	375,000	500,000
35 Ferron Canal & Res Co	E082 C&D	2,625,000	3,500,000
36 Whiterocks Irr Co	E084 C&D	1,500,000	2,000,000
37 Logan, Hyde Park, Smithfield Canal Co	E096 C&D	1,301,250	1,735,000
38 Town of Goshen	E109 C&D	240,000	320,000
39 Weber-Box Elder Conservation Dist	E113 C&D	9,750,000	13,000,000
40 Cottonwood Creek Consolidated Irr Co	E125 C&D	3,750,000	5,000,000
41 Alton Farmers Assoc	E128 C&D	1,650,000	2,200,000
42 Huntington-Cleveland Irr Co	E130 C&D	21,299,000	66,090,000
43 Fremont Irr Co	E131 C&D	1,500,000	2,000,000
44 Grantsville Irr Co	E150 C&D	321,000	428,000
45 Dixie Deer SSD	E170 C&D	187,500	250,000
46 Provo River Water Users Association	E177 C&D	86,250,000	115,000,000
Subtotal		\$ 150,627,750	\$ 239,206,000

*To be presented at Board Meeting

BOARD OF WATER RESOURCES

December 9, 2005

Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	13,691,000	16,107,000
4 Hooper Irr Co (Press Irr, Ph 2-4)	E060	C&D	11,772,000	13,850,000
5 City of Cedar Hills	E099	C&D	<u>31,200</u>	<u>31,200</u>
Subtotal			<u>\$ 63,594,200</u>	<u>\$ 74,812,200</u>
TOTAL			\$ 214,221,950	\$ 314,018,200

INACTIVE PROJECTS

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098
6 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-136**
Received: 3/5/04
Approved: 4/30/04
Authorized: 9/24/04

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **M & M IRRIGATION COMPANY**

President: Frank Eliason
P.O. Box 66
Moroni, UT 84646
Phone: (435) 436-8588

LOCATION: The proposed project is located west of Mount Pleasant and northeast of Moroni in Sanpete County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace 7 1/2 meandering miles of unlined transmission canal, that helps carry water to a pressurized irrigation system serving 1,200 agricultural acres and 118 Moroni homes' lawns and gardens, with 4 1/2 miles of HDPE pipe.

COST ESTIMATE & SHARING: The project has been bid and, due to the past year's dramatic increases in the price of pipe, costs will be higher than authorized. The authorized and proposed cost sharing are:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 531,000	37%	\$ 976,000	49%
CUWCD Grant	<u>893,000</u>	<u>63</u>	<u>1,000,000</u>	<u>51</u>
TOTAL	\$1,424,000	100%	\$1,976,000	100%

The sponsor has been informed by staff that, although the board has the requested \$976,000 available in the Revolving Construction Fund (mandatory 0% interest rate), that amount is larger than normally provided. The sponsor doesn't feel its shareholders can afford to pay interest on board funds, however, which will be required if the project moves to the Conservation and Development Fund (where more funds are available).

If the board won't provide \$976,000 from the Revolving Construction Fund as requested, the sponsor will eliminate a mile of the project and request \$800,000 from the board instead.

PURCHASE
AGREEMENT:

The authorized purchase agreement requires the \$531,000 to be returned in 15 years at 0% interest with annual payments of \$27,000 the first five years, and approximately \$39,600 the next 10. If the board commits funds to the project, it is proposed the \$976,000 be returned in 25 years with annual payments of \$27,000 the first five years, and approximately \$42,100 the next 20.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-182**
Received: 9/2/05
Approved: 9/30/05
Authorized: 10/28/05

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **UTLAND DITCH COMPANY**

President: Alarik F. Myrin
HC 64 Box 324
Duchesne, UT 84021
Phone: (435) 646-3255

LOCATION: The proposed project is located a mile west of Upalco, about 12 miles northeast of Duchesne in Duchesne County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to combine two current agricultural irrigation water diversions into one, replace two irrigation ditches with 6.5 miles of transmission pipeline, and install 12 new propeller meters.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 270,000	22.5%
NRCS Grant	750,000	62.5
Sponsor	<u>180,000</u>	<u>15.0</u>
TOTAL	\$1,200,000	100%

PURCHASE
AGREEMENT:

If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased with annual payments of \$17,000 at 0% interest over approximately 16 years.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-189**

Received: 6/27/00

Approved: 8/4/00

Authorized: 9/22/00

Committed (Ph I): 9/22/00

Committed (Ph II): 9/21/01

Committed (Ph III): 12/12/03

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **DAVIS AND WEBER COUNTIES CANAL COMPANY**

President: D. Pete Page
138 West 1300 North
Sunset, UT 84015
Phone: (801) 774-6373

LOCATION: The proposed project is located just south of South Weber City in Davis County.

PROJECT SUMMARY: In September, 2000, the board authorized the sponsor's \$25.5 million, long-term Davis-Weber Canal improvement project. The project consists of replacing, in phases over a number of years, nearly 6½ miles of deteriorated canal liner with sections of reinforced concrete liner, large diameter pipe, or concrete box culvert. The headworks at the Weber River diversion will be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operation.

To date (Phases I - III), 8,800 feet of concrete box culvert and 4,300 feet of reinforced concrete liner have been installed. Slope stability work has also been done at places along the canal alignment.

The sponsor is proceeding with Phase IV, which includes approximately 1,200 feet of concrete box culvert and 1,700 feet of reinforced concrete liner. Construction is underway in order to complete the project by this coming April.

COST ESTIMATE
& SHARING:

The overall project was authorized based on 85% cost sharing from the board and 15% from the canal company. The proposed cost estimate and sharing for Phase IV are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,807,000	85%
Sponsor	<u>318,000</u>	<u>15</u>
TOTAL	\$2,125,000	100%

PURCHASE
AGREEMENT:

Authorized terms for the overall project are 30 years and 3.6% interest. If the board commits funds to Phase IV, it is recommended the \$1,807,000 be returned to the board in 30 years at 3.6% interest with annual payments of approximately \$99,500.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **L-549**
Received: 11/15/04
Approved: 12/10/04
Authorized: 1/28/05

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **ELWOOD TOWN**

Mayor: Greg Iverson
4955 West 8000 North
Tremonton, UT 84337
Phone: (435) 279-8473

LOCATION: The proposed project is located in and east of Elwood, about 11 miles north of Brigham City in Box Elder County.

PROJECT SUMMARY: The town is requesting financial assistance from the board to improve its culinary water system by constructing a 500,000-gallon concrete storage tank and installing about 7½ miles of transmission and distribution pipeline.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,530,000	90%
Sponsor	<u>170,000</u>	<u>10</u>
TOTAL	\$1,700,000	100%

REPAYMENT:

If the board commits funds to the project, it is proposed the repayment terms remain as authorized: the bonded indebtedness of \$1,530,000 will be repaid in 25 years at 3.5% interest according to the following schedule:

<u>Years</u>	<u>Approximate Annual Payment</u>
1	\$ 65,600
2	69,600
3	73,400
4	78,100
5	83,600
6	88,900
7	95,000
8	100,900
9	106,500
10-24	111,000
25	118,000

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Payment Deferral

Conservation and Development Fund

Appl. No.: **E-104**
Received: 11/8/02
Approved: 12/20/02
Authorized: 6/12/03
Committed: 1/30/04

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **TROPIC & EAST FORK IRRIGATION COMPANY**

President: Franz Shakespear
P.O. Box 5
Tropic, UT 84776
Phone: (435) 679-8749

LOCATION: The project is located near Bryce Canyon National Park, about six miles northwest of the Town of Tropic in Garfield County.

SUMMARY: The board authorized a two-phase project to replace the seven mile-long Tropic & East Fork Canal with 30-inch pipeline. For the \$650,000, Phase I portion of the project, the board committed \$600,000, which will be returned at 1.5% interest over approximately 25 years with annual payments of \$29,000 beginning March 1, 2006.

Construction of Phase I was delayed and water was not available to irrigators until mid-June of this year, causing a significant reduction in crop yield. Also, work on Phase II is under construction and shareholders' assessments are going toward the sponsor's cost sharing for that phase. Because of these circumstances, the sponsor will have a difficult time making its March payment to the board for Phase I and requests a year's postponement of it.

STAFF
RECOMMENDATION: Staff recommends the board authorize an amendment to its Phase I agreement with the sponsor, postponing the March, 2006, payment one year and making all currently scheduled principal and interest payments due one year later than presently required. No interest will accrue from March 1, 2005, through February 28, 2006.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Additional Funds

Revolving Construction Fund

Appl. No.: **E-138**
Received: 3/31/04
Approved: 4/30/04
Authorized: 7/9/04
Committed: 7/9/04

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **CHESTER IRRIGATION COMPANY**

President: Scott Sunderland
P.O. Box 3104
Chester, UT 84623
Phone: (435) 851-6470

LOCATION: The project is located about three miles east of the community of Chester, which is about four miles south of Moroni in Sanpete County.

PROJECT SUMMARY: Last winter the sponsor began a project to replace, in five ponds, existing spillway flashboard structures with gated structures. The work was completed on four of the ponds, but this past spring the fifth pond's old spillway washed out, destroying it and damaging the embankment. In addition to the additional work now required to get the fifth pond reconstructed, the State Engineer is requiring that 400 feet of toe drain be installed along the deepest portion of the embankment.

The sponsor requests additional funds from the board to help pay for the spillway replacement, embankment repair, and toe drain.

COSTS &
COST SHARING:

The contracted and proposed cost sharing are:

<u>Agency</u>	<u>Contracted Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$ 48,000	32%	\$ 64,000	32.0%
CUWCD Grant	91,000	61	91,000	45.5
Sponsor	<u>11,000</u>	<u>7</u>	<u>45,000</u>	<u>22.5</u>
TOTAL	\$150,000	100%	\$200,000	100%

PURCHASE
AGREEMENT:

The sponsor's current agreement with the board states the \$48,000 will be returned with annual payments of \$4,200 at 0% interest over approximately 12 years. If the board commits additional funds for the additional work, staff recommends the agreement be amended to provide an additional \$16,000 and to state the sponsor will return the \$64,000 with annual payments of \$4,300 at 0% interest over approximately 15 years.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Payment Deferral

Conservation and Development Fund

Appl. No.: **N-226**

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **NEW ESCALANTE IRRIGATION COMPANY**

President: Bartt Carter
P.O. Box 535
Escalante, UT 84726
Phone: (435) 826-4202

LOCATION: The project is located about two miles northwest of Escalante City in Garfield County.

SUMMARY: The sponsor owns and operates Wide Hollow Dam and reservoir as part of its pressurized irrigation system serving 2,700 acres. Since the early 1990s when dam safety studies identified several major deficiencies in the embankment and spillway, the sponsor has been investigating sites for a replacement dam and reservoir, devoting most of its time and resources to that pursuit with minor attention given to the existing dam.

Willows and gopher holes have become established on the dam, creating dangerous seepage paths near the right abutment. After an annual safety inspection this September, the State Engineer sent the sponsor a letter indicating storage in the reservoir will be severely restricted until repair work to control the seepage is done. It is estimated these repairs will cost around \$90,000.

The sponsor has a contractual agreement with the board for construction of the pressurized irrigation system. The system is being purchased at 1.5%

interest with payments through 2020 increasing \$2,000 annually over the previous year's payment, with final payment to the board to be made in 2021. The next payment is due March, 2006, in the amount of \$89,000. The sponsor cannot pay for the necessary dam repairs and make its scheduled payment to the board, and therefore requests a year's postponement of it.

STAFF
RECOMMENDATION:

Staff recommends the board authorize an amendment to its agreement with the sponsor, postponing the March, 2006, payment one year and making all currently scheduled principal and interest payments due one year later than presently required. No interest will accrue from March 1, 2005, through February 28, 2006.

BOARD OF WATER RESOURCES

Dam Safety Report

Construction Funding

Appl. No.: **C-012**

To be Presented at the December 9, 2005 Board Meeting

SPONSOR: **ENTERPRISE RESERVOIR & CANAL COMPANY**

President: James L. Simkins

LOCATION: Lower Enterprise Dam is located about 11 miles southwest of the City of Enterprise in Washington County.

SUMMARY: Lower Enterprise Dam construction was completed in 1925. The high hazard dam is 56 feet high, 170 feet long, and impounds 1,670 acre-feet of irrigation water at spillway level. The sponsor is requesting financial assistance from the board to upgrade the dam to meet current state dam safety standards. The dam foundation, abutments, and downstream spillway channel are unstable, and the spillway is inadequate. When water spills over the dam crest due to the inadequate spillway, erosion of the dam foundation and spillway channel occurs.

The upgrade project will be constructed in phases. Phase I will consist of repairing erosion damage by filling in voids and rock-bolting the abutments and portions of the spillway channel. The remaining upgrade work will be done in future phases and will be brought before the board when ready. Technical assistance is being provided by Alpha Engineering in St. George and RB&G Engineering in Provo.

COST ESTIMATE: The estimated cost of Phase I construction is \$150,000. An engineering agreement for \$50,000 is already in place.

COST SHARING
& REPAYMENT:

The recommended Phase I cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
BWRe - Grant	\$180,000	90%
BWRe - Loan	<u>20,000</u>	<u>10</u>
TOTAL	\$200,000	100%

If the board commits funds as shown, it is proposed the \$20,000 be returned with annual payments of \$2,000 at 0% interest over approximately 10 years.

PROJECT
SPONSOR:

Enterprise Reservoir & Canal Company has received assistance from the board over the years for a concrete canal lining, a pressurized irrigation system over about 2,000 acres, the repair and enlargement of Upper Enterprise Dam, and for dam safety studies.

SPONSOR'S
RESPONSIBILITIES:

The sponsor must obtain approval of final plans and specifications from the Divisions of Water Resources and Water Rights before state funds become available.

PROJECT
CONTACT
PEOPLE:

President: James L. Simkins
P.O. Box 67
Enterprise, UT 84725
Phone: (435) 878-2324

Engineers: Alpha Engineering
148 East Tabernacle
St. George, UT 84770
Phone: (435) 628-6500

RB&G Engineering
1435 West 820 North
Provo, UT 84601-1343
Phone: (801) 374-5771

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-188***

Received: 10/24/05

SPONSOR: ***GUNLOCK SPECIAL SERVICE DISTRICT***

Chairman: Kip Bowler
P.O. Box 24
Gunlock, UT 84733
Phone: (435) 763-1374

LOCATION: The proposed project is located in and around the community of Gunlock, about 17 miles northwest of St. George in Washington County.

PROPOSED PROJECT: The sponsor is requesting assistance to improve its culinary water system by constructing a new storage tank, relocating a section of transmission pipeline, installing distribution pipeline from an existing tank through the main part of Gunlock, and installing water meters.

WATER RIGHTS: 81-421, 1099, and 1154

COST ESTIMATE: \$670,000

Unapproved
BOARD OF WATER RESOURCES
BRIEFING MEETING
October 28, 2005
9:30 a.m.

Room 314
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

Board of Water Resources
Briefing Meeting
October 28, 2005

Attendees:

Ivan Flint
Brad Hancock
Warren Peterson
John Carman
Blair Francis
Harold Shirley
George Harmond Jr.
Paul McPherson

Dennis Strong
Eric Millis
Steve Wilde
Todd Adams
Eric Edgley
Geralee Murdock

Welcome/Chair's Report

Chair Flint welcomed everyone to the meeting and referred the Board members to a letter each had received from NUCOR with concerns regarding the proposed construction of Washakie Dam in Box Elder County. Dennis Strong stated he replied to NUCOR's letter and gave a copy to each Board member. Dallin Jensen, Paul Riley and the Division of Drinking Water also received letters from NUCOR.

Dennis Strong introduced Todd Adams who provided information about this season's cloud seeding project. Mr. Adams provided statistics on last year's cloud seeding project and what is planned for this year.

Eric Millis introduced Eric Edgley, Manager of the Division's Technical Service Section. Mr. Edgley explained the water related land use program and that staff goes out each summer and surveys a portion of the state to determine what crops are being grown. From that, estimates of water use by those crops can be made. Eric Millis said Eric Edgley helped develop the program so that we receive much more accurate data.

Dennis Strong talked about the recent Water Funding Task Force meeting. He said the Task Force identified four pieces of legislation legislators will be preparing for the next session: 1) The Bear River Development Act will be amended to allow for preliminary work prior to construction as long as the legislators approve the funds, 2) A bill removing the cap on the 1/16% sales tax will be prepared so the additional funds can be used for the Bear River

Development Act and the Lake Powell Pipeline, 3) The Lake Powell Pipeline will become a statute so the pipeline project can be sponsored by the state of Utah, 4) A bill dedicating part of the surplus funds will be used for water development after the rainy day fund and other requirements are taken care of. All of the funds used to plan and construct projects will be paid back by the water districts.

Eric Millis stated staff has attended most of the Water Issues Task Force meetings. Mr. Millis said the Task Force was given several assignments including groundwater management, administration of groundwater and surface water, instream flows, water conservation and reuse. Last year the Task Force focused on water rights enforcement and penalties. This year they focused on administration of groundwater and surface water and water reuse. It is probable that next year, if the Task Force is extended, they will study water conservation and instream flows. He said the Water Coalition is an informal group of water attorneys and consultants who have provided a lot of input to the Task Force. The Water Coalition will meet one more time before the Water Issues Task Force meeting. Warren Peterson said they have become a good focus group.

Eric Millis said the Ground Water Management Plan Bill to be presented in the 2006 general session of the Legislature codifies the State Engineer's process for developing a groundwater management plan. He said the Water Re-use Requirements Bill will also be presented in the 2006 general session. If approved they will allow reuse of water by a public agency, including water for which water rights are not owned by the agency where a reuse contract exists among the parties involved, establishes a process for approval of a water reuse project. The bill requires the State Engineer base his approval on the underlying water rights considering the effects of a water reuse project on downstream users. The Division of Water Quality considers the effects on water quality in using its permit.

Discussion of Projects

Circleville Irrigation Company

Steve Wilde said water is diverted from the South Fork of the Sevier River in three places. Radial gates in two of the diversion structures are 50-60 years old and in need of replacement, turnouts along three of the major canals are hard to operate and need to be replaced, and also a section of ditch in Circleville needs to be piped. The company will receive a grant in the amount of \$458,000 as the project falls under the Central Utah Project (CUP) Completion Act Section 206. Warren Peterson said although Sevier and Millard counties were originally part of the CUP, however the two counties withdrew from it, and are now eligible for grant money through Section 206. The sponsor's grant money is part of a one-time block that comes to the county for allocation to needy areas.

Dry Gulch Irrigation Company

The Dry Gulch Irrigation Company's Fox and Crescent Lake Dams, located in the High Uintas Wilderness Area, are in need of repair and upgrades. Because of the location in a

wilderness area, equipment and materials will need to be flown in by helicopter or packed in on horses. Both dams are rated 'moderate hazard' by the State Engineer's office and are not eligible for dam safety funds, however the U.S. Forest Service is requiring the dams to be repaired in order for the irrigation company to keep its Special Use Permit.

Brad Hancock said the company will be asking for a grant to repair these dams even though they are not on the State Engineer's high hazard dam list. Dennis Strong replied the Board does not have statutory authority to give a grant if the dams are not on the high hazard list. He explained dams on the high hazard list are there because of potential failure consequences, not the conditions of the structures.

Lindon City

Mr. Wilde said the city is requesting financial assistance to replace about a half mile of 10-inch steel pipeline with 12-inch ductile iron pipe and installing four fire hydrants. Paul McPherson said the project was pretty straight forward as the city has pipe that leaks and it is fixing leaks continually.

Corinne City

The city is requesting financial assistance to improve its culinary water system by replacing about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC and installing fire hydrants. Blair Francis said he met with the company and felt it was a good project.

Utland Ditch Co.

Steve Wilde said the project would only be for authorization instead of both authorization and committal of funds as shown in the Board folder. The company is requesting assistance to combine the Purdy and Utland diversions into the Purdy diversion, replace two ditches with 6.5 miles of transmission pipeline, and install 12 new propeller meters. Mr. Wilde said although the company applied to the Board in 1993 for essentially the same project, it was not able to receive federal funds so it withdrew the application. It now has an NRCS grant for \$750,000.

Other Items

Dennis Strong passed out a copy of a proposed Board meeting schedule for 2006. Mr. Strong asked for suggestions for meetings in June and July. It was suggested it would be good to tour the Strawberry Valley and the Provo Reservoir Canal in July. The schedule will be adopted in the December meeting.

Meeting adjourned at 12 noon.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
October 28, 2005

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 29 and 30, 2005 meetings were approved as prepared. page 1
2. The Circleville Irrigation Company project was authorized in the amount of \$115,000 (19%) to be returned with annual payments of \$8,000 at 0% interest over approximately 15 years. page 2
3. The Board authorized the Dry Gulch Irrigation Company project in the amount of \$221,000 (85%) to be repaid in 20 years at 0% interest. page 3
4. The Lindon City project was authorized in the amount of \$256,000 (95%) to be repaid in 10 years at 5% interest. page 3
5. The Board authorized the Corinne City project in the amount of \$326,000 (85%) to be repaid in 10 years at 5% interest with escalating annual payments. page 4
6. The Newton Water Users Association project was withdrawn from further consideration by the Board. page 4
7. The Utland Ditch Company project was authorized in the amount of \$270,000 (22.5%) to be returned with annual payments of \$17,000 at 0% interest over approximately 16 years. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, October 28, 2005, in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Ivan Flint presided over the 1:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Ivan Flint
Brad Hancock
Blair Francis
Warren Peterson
Harold Shirley
John Carman
George Harmond, Jr.
Paul McPherson

STAFF MEMBERS PRESENT:

Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Randy Staker, Accountant
Todd Adams, Chief, Hydrology and Computer Applications
Steve Wilde, Chief, Investigations
Dan Aubrey, Chief Geologist
Val Anderson, Engineer
Shalaine DeBernardi, Engineer
Russell Hadley, Engineer
Bill Leeftang, Chief Engineer
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Richard Noble, Franson Noble Engineering
Jay Franson, Franson Noble Engineering
Eric Dixon, Franson Noble Engineering
Kurt Sorenson, President, Piute Reservoir Co.

David Marble, Dam Safety Engineer, Division of Water Rights

Chris Fullmer, President, Circleville Irrigation Company

OTHERS PRESENT CONT'D:

Kelly Bird, President, Dry Gulch Irrigation Company
Randy Crozier, General Manager, Duchesne County Water Conservancy District

Jeff Acerson, Mayor, Lindon City
Ott H. Dameron, City Administrator, Lindon City
David C. Thurgood, Engineer, J-U-B Engineers

DeVerle Wells, Mayor, Corinne City
Don C. Miller, Corinne City

Alarik F. Myrin, President, Utland Ditch Co. Inc.

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
October 28, 2005

Chair Ivan Flint welcomed everyone to the meeting

APPROVAL OF MINUTES

Harold Shirley made the motion, seconded by George Harmond Jr. to approve the minutes of the September 29 and 30, 2005 Board meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Chair Flint said it is important to get the Bear River Development Act and the Lake Powell Pipeline water projects financed. He said Governor Olene Walker assigned a committee (Water Funding Task Force) to study how to finance these projects. Ed Alter was asked to be the chair and the Task Force has now come up with ways to finance these two projects. Mr. Flint said now is the time to choose reservoir sites, purchase rights-of-way, and do necessary studies preparatory for construction.

Mr. Flint referred to a letter received from NUCOR regarding the negative impact the Honeyville Site (Bear River Development Act) could have on them. Dennis Strong, Deputy Director answered the letter and replied to its concerns. (The response letter was given to the Board members.)

Dennis Strong said the Water Funding Task Force has identified four pieces of proposed legislation for the next session: 1) An amendment to the Bear River Development Act allowing the Legislature to appropriate monies to start the process for pre-construction activities; 2) The Lake Powell Pipeline will become a statute as a water development project sponsored by the state of Utah; 3) Legislation to remove the 1/16% sales tax cap to provide funds for the Bear River Development Act and the Lake Powell Pipeline; and 4) Legislation dedicating part of the state's surplus funds to future water development. Mr. Strong said if those bills pass they will be significant statements of support from the Legislature for future water development.

FEASIBILITY REPORTS

#E-166 Circleville Irrigation Company

Chair Flint introduced Chris Fullmer, president. Steve Wilde reported Circleville Irrigation Company provides flood irrigation water to about 5,800 acres of farmland and 200

acres of residential lawns and gardens. Water is diverted from the South Fork of the Sevier River in three places and is transported and distributed through unlined canals and ditches.

Radial gates in two of the diversion structures were installed in the 1940s and are in need of replacement; turnout structures on the West, Kingston and Dalton canals leak and are hard to operate, and there are safety and maintenance issues connected with a ditch that runs through Circleville.

The company is requesting financial assistance to replace the two radial gates, replace turnouts along the West, Kingston, and Dalton canals, and pipe about 1,800 feet of ditch in town. The estimated cost of the project is \$611,000. The company will receive a Central Utah Water Conservancy District Section 206 grant in the amount of \$458,000 through the Upper Sevier River Water Conservancy District. The company is requesting the Board provide \$115,000 or 19% of the total estimated cost.

Warren Peterson asked Mr. Fullmer, who is also chairman of the Upper Sevier River Water Conservancy District, how the CUP 206 money would be allocated throughout Piute County; Mr. Fullmer explained the various projects. He then said the Circleville project was necessary because of the condition of the radial gates and the open ditch that runs through the residential area of town.

Warren Peterson made the motion to authorize the Circleville Irrigation Co. project in the amount of \$115,000 (19%) to be returned with annual payments of \$8,000 at 0% interest over approximately 15 years. Blair Francis seconded the motion and the Board agreed unanimously.

#E-176 Dry Gulch Irrigation Company

John Carman declared a conflict of interest and will abstain from voting on the Dry Gulch Irrigation Company project. Chair Flint introduced Kelly Bird, president; and Randy Crozier, general manager of the Duchesne County Water Conservancy District. Russell Hadley reported the proposed project is located in the High Uintas Wilderness Area of Ashley National Forest, about 36 miles north of Roosevelt in Duchesne County. The outlet works of both Fox and Crescent Lake Dams are in need of repairs and upgrades, as are the dikes, spillway, and wet well of Fox Lake Dam.

The company is requesting financial assistance to repair and upgrade both Fox and Crescent Lake Dams. Because of their location in a wilderness area, equipment and materials will need to be flown in by helicopter or packed in on horses. Design and construction engineering services will be provided by CH2M Hill. The project is estimated to cost \$260,000. Because both Fox and Crescent Lake Dams are rated “moderate hazard” by the State Engineer’s office, they are not eligible for Board dam safety funds.

The company’s water rights are very complicated and involve flows from the Uinta and Lake Fork rivers as well as storage rights in Moon Lake Reservoir, Montez Creek Reservoir, and various high lakes in the Uinta Mountains.

Randy Crozier explained the restrictions the Forest Service has placed on the irrigation company regarding construction. He also asked the Board to consider a 20-year repayment instead of staff's recommended 15 years. Kelly Bird said the stockholders depend on the reservoirs. They do not have any other storage on the Uinta River.

Brad Hancock made the motion to authorize the Dry Gulch Irrigation Company project in the amount of \$221,000 (85%) to be repaid in 20 years at 0% interest. Warren Peterson seconded the motion. The Board agreed; John Carman abstained from voting.

#L-554 Lindon City

Chair Flint introduced Mayor Jeff Acerson, Ott Dameron, City Administrator and David Thurgood, J-U-B Engineers. Val Anderson reported the city currently supplies culinary water from springs and wells, through a system rated "Approved" by the Division of Drinking Water, to 2,240 connections. It also distributes pressurized irrigation water to a large percentage of the culinary connections. Much of the system was constructed in the 1940s and 50s with steel pipe that has corroded, leaks, and is too small to provide adequate service to areas of the rapidly growing city.

The city is requesting financial assistance to improve its culinary water system by replacing about a half-mile of 10-inch steel pipeline with 12-inch ductile iron, and installing four fire hydrants. Technical assistance is being provided by J-U-B Engineers in Orem. The total estimated cost is \$270,000.

Mayor Acerson expressed appreciation to the Board for its consideration and said the city had appreciated the assistance it had received in the past. Paul McPherson made the motion to authorize the Lindon City project from the Cities Water Loan Fund in the amount of \$256,000 (95%) to be repaid in 10 years at 5% interest. George Harmond, Jr. seconded the motion and it was unanimously agreed upon by the Board.

#L-555 Corinne City

Chair Flint introduced DeVerle Wells, mayor and Don Miller, City Planner. Russell Hadley reported Corinne City supplies culinary water to 245 connections. Two areas northwest and west of the city have old 2-inch steel distribution pipelines with lead joints that need to be replaced. The city is requesting financial assistance to replace about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC, and install 16 fire hydrants. Technical assistance is being provided by Hansen & Associates in Brigham City. The project is estimated to cost \$384,000. Corinne has had two previous projects with the Board; both have been paid off.

Mayor Wells said the 2-inch line needs to be replaced as he's been told for years that more water is lost from that line than transported. He also said the city is glad it will be able to

improve fire protection with the additional fire hydrants; it received a grant for a fire truck this year.

Blair Francis made the motion to authorize the Corinne City project in the amount of \$326,000 (85%) to be repaid in 10 years at 5% interest with escalating annual payments. Paul McPherson seconded the motion and the Board unanimously agreed.

SPECIAL ITEMS

#E-100 Newton Water Users Association

The association requested assistance to replace, with five miles of plastic pipeline, a deteriorated concrete-lined irrigation canal carrying water from Newton Reservoir to farmers' fields. The association's water rights are in the name of the Bureau of Reclamation and can not be transferred to the Board as security for financial assistance, plus shareholders do not want to pursue using shares of stock as security. The association, is therefore, not interested in pursuing the project at this time because of indecision regarding obtaining water security.

Blair Francis made the motion, seconded by Harold Shirley to withdraw the Newton Water Users Association project from further consideration by the Board. The Board agreed unanimously.

#E-182 Utland Ditch Co.

Chair Flint introduced Alarik Myrin, president of the company. Val Anderson reported the company delivers irrigation water from the Lake Fork River into upper (Purdy) and lower (Utland) ditches to nine shareholders who flood and sprinkle irrigate about 1,300 acres of farmland. The conveyance loss through these two unlined ditches is estimated at about 720 acre-feet annually. The company has two 8-inch propeller meters that have operated 15 years without problems, and a 12-inch and two 15-inch propeller meters that have operated four years without problems.

The company is requesting financial assistance to combine both current diversions into the Purdy diversion, replace both ditches with 6.5 miles of transmission pipeline, and install 12 new propeller meters. The pipeline will tie into existing sprinkle irrigation systems. Technical assistance is being provided by the Natural Resources Conservation Service (NRCS) in Vernal. The estimated cost of the project is \$1.2 million. The NRCS will provide a grant of \$750,000 (62.5%). The company is requesting the Board provide \$270,000 (22.5%), and the company will pay \$180,000 (15%).

Company shareholders have authorized an annual share assessment of \$25. They currently pay \$7 to two other water user groups, leaving \$18 for the proposed project. Multiplying \$18 by 936 project shares equals about \$17,000. The company therefore requests staff's recommended purchase agreement of \$23,480 annual payments over approximately 12 years be changed to \$17,000 over approximately 16 years. Mr. Anderson said the company was

unable to complete all the conditions for committal of funds so staff is recommending the project be considered for authorization only.

Mr. Myrin said the company appreciated Val's work. It thinks this is a good project as it consolidates two separate river headings into one heading, and also replaces the open ditches with transmission pipeline. Brad Hancock asked Mr. Myrin about the propeller meters. Mr. Myrin said there's been quite a long ongoing discussion on the issue of meters. He said the company has had good success with the propeller meters and wants to install more as the meters give a good, accurate account of how water is distributed to all the shareholders. Mr. Myrin said the project is really critical to the long-term functionality of all farms on this system.

Brad Hancock made the motion to authorize the Utland Ditch Company project in the amount of \$270,000 (22.5%) to be returned with annual payments of \$17,000 at 0% interest over approximately 16 years. John Carman seconded the motion and it was unanimously agreed upon by the Board.

DIRECTOR'S REPORT

John Carman said Mike Wilson, General Manager, of the Metropolitan Water District of Salt Lake and Sandy has offered to host a tour and/or a Board meeting in either June or July of 2006. Dennis Strong said the Board would plan on it in June as July is a good time to tour Central Utah.

Mr. Strong introduced Richard Noble of Franson and Noble Engineering; Mr. Noble introduced Kurt Sorenson, president of the Piute Reservoir and Irrigation Company and Eric Dixon, project manager of the Piute Dam rehabilitation project. Mr. Noble also introduced David Marble of Dam Safety and Bill Leeftang of Water Resources who were also an integral part of the project.

Eric Dixon showed pictures of the project to the Board. Mr. Noble said in September they traveled to Orlando, Florida, to attend the annual conference of the Association of State Dam Safety Officials to receive the award for the National Rehabilitation Project of the Year for Piute Dam. He said unique and innovative engineering design created savings of an estimated \$4 to \$6 million. The rehabilitation project brought Piute Dam into compliance with Utah's dam safety standards and improved safety to downstream residents. Funding for the project was provided by the Utah Board of Water Resources.

Mr. Noble said at the conference they had a display showing the various stages of construction of the dam, and he presented a miniaturized version of the display to the Board as a token of appreciation for the Board's support. Chair Ivan Flint and Deputy Director Dennis Strong were asked to have a picture taken with the display. Mr. Noble then presented a pewter statue of an engineer looking over a set of plans for a dam to both Dave Marble and Bill Leeftang. He also presented one to Kurt Sorenson to recognize his involvement as president of the Piute Reservoir and Irrigation Co. and also one to Eric Dickson, project manager.

NEXT BOARD MEETING

Dennis Strong said the next Briefing Meeting and Board meeting will be held on December 9, 2005, followed by a Christmas luncheon at the Lion House at 1 p.m.

Meeting adjourned at 2:55 p.m.

Tour of Eastern Box Elder County
September 29, 2005

Attendees:

Ivan & Marlene Flint
Harold & Diane Shirley
Brad Hancock
George Harmond, Jr.
Paul McPherson
Blair Francis
John Carman
Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Todd Adams
Randy Staker
Geralee Murdock

Voneene Jorgensen
Dan Davidson
Charles Holmgren
Bill Bigelow

At 8:00 a.m. the Board, staff and others boarded the bus at the Crystal Inn in Brigham City. Charles Holmgren of the Bear River Canal Co. pointed out the southern end the Bear River Canal Co. serves. The bus stopped at the Bear River Canal Co.'s inverted siphon and Charles Holmgren and Dan Davidson explained it and answered the Board's questions. Mr. Holmgren also pointed out all the different types of agriculture (alfalfa, wheat, safflower and corn) along the way.

Dennis Strong talked about the Bear River Development Project. He pointed out the Honeyville site; because of historical and Indian sites that would be covered up by the reservoir, the local land-owners teamed up with the Utah Rivers Council and the site was removed from the Bear River Development Act by the Legislature. At the same time the Honeyville site was eliminated the Barrens site was also removed.

Charles Holmgren pointed out the Washakie Dam Site which is east of Washakie Town and about twelve miles north of Tremonton. The proposed reservoir would be an off-stream facility and water would be diverted from the Bear River through Cutler Reservoir and then piped to the proposed dam site. This is the consensus reservoir site. The Malad River is salty and would be taken outside of the dike at the north end of the reservoir basin.

Larry Anderson said the Water Delivery Financing Task Force Report's Executive Summary and Recommendations were included in the Tour Folder. The Task Force was given the assignment to determine a way to finance the Bear River Development and Lake Powell Pipeline Projects. The Task Force concluded it will be 10-15 years before funds are needed for the Lake Powell Pipeline Project and about 2035 before funds are needed for the Bear River Development Project.

The bus stopped at Portage Town Park for a short break.

Dennis Strong said the Division of Water Resources is working with Weber Basin Water Conservancy District to take water from the Bear River near Elwood (just above the I-15 crossing of the river). A pump facility would be constructed and water pumped into a pipeline that would end at Willard Bay. This will be the first phase of developing the Bear River and will cost about \$70 million. A reservoir would be the next phase of the state's project.

The bus proceeded to the Bothwell Pocket where Voneene Jorgensen, Bear River Water Conservancy District Manager showed the Board the District's principal water source. In the early 1990's the district bought a farm in the Bothwell Pocket with the intent of using the water to supply its member agencies at least until it is able to develop Bear River water. Chanshare is using about 480 acres of the farm to raise sod. She told the history of the district and also explained its future goals. Bill Bigelow, the district's engineer handed the Board a book of maps showing the district's existing and planned facilities. The bus proceeded to a well site where the group watched the driller bail cuttings from the well.

Lunch was provided by the Bear River Water Conservancy District at Maddox Café in Brigham City.

After lunch the group saw the Brigham City Aquifer Storage Recovery Project where Bill Bigelow and Rene Cedillo told about the project. Excess water from the city's springs in Mantua is injected into three of the city's drinking water wells. This has brought groundwater levels up and also significantly reduced the iron content of the well water. The bus then went to the Bear River Migratory Bird Refuge where Al Trout, manager, gave the history and told of the operation of the Refuge and then divided the group in half and instructed his staff to take one group on Air Boats throughout the Refuge while he took the other half along a dike to a lookout point.

About 4: 15 p.m. the group returned to the Crystal Inn.

Board of Water Resources
Briefing Meeting
9/29/05 – 4:30 p.m.

Attendees:

Ivan Flint
Brad Hancock
John Carman
Blair Francis
George Harmond, Jr.
Harold Shirley
Paul McPherson

D. Larry Anderson
Dennis Strong
Eric Millis
Steve Wilde
Todd Adams
Randy Staker
Geralee Murdock

Chair Flint welcomed everyone to the meeting.

DISCUSSION OF PROJECTS

Feasibility Report
#E-173 Cub River Irrigation Company

Steve Wilde said the company would like to improve its irrigation system by installing a pressurized pipeline to serve the area presently served by the Upper Canal. The company is requesting financial assistance to install about nine miles of gravity-pressurized PVC pipeline. Director Anderson said the Board has assisted the company in the past with projects where a majority of the benefits were in Utah. Even though 75% of the company's land is in Utah, nearly that percentage of the proposed project's benefits will be in Idaho.

#E-179 Deseret Irrigation Company

Steve Wilde said this is the fourth phase of an overall project to concrete-line 9,500 feet of the Old Deseret Canal, and pipe 12,000 feet of the South Hinckley Canal; this phase is 4,000 feet of lining. The project will be purchased from the Board in two years at 0% interest; payments will be delayed until the previous phases have been paid off.

#C-026 San Juan Water Conservancy District

Dennis Strong said the capacity of the new emergency spillway channel is being increased to carry the full flood flows. This modification has increased the total cost of the Recapture Dam upgrade. The district also needs to reimburse UDOT \$350,000 it received but didn't use. It is, therefore, requesting an additional \$780,000 in grant funds.

#E-088 Gunnison City

Steve Wilde said the Board committed \$477,000 to the city to help make improvements to its pressurized secondary irrigation system. After the original project was completed, the city used "leftover" board funds to replace about 10,000 feet of the Peacock Springs transmission pipeline. The city is requesting additional funds to help it replace the remaining 20,000 feet of Peacock Springs transmission pipeline and requests a ½% interest rate on the funds instead of the staff's recommended 1%. The Board and staff discussed the possibility.

Other Items

Director Anderson said he would not be able to attend the Board meeting on Friday due to his wife having knee surgery. He discussed the status of the Snake Valley Resolution prepared by Board member Warren Peterson. Director Anderson then said Gayle McKeachnie of the Governor's office suggested the Resolution was premature for the Board to act on at this time because the Governor is still considering his position on the proposal. Warren has indicated he intends to bring the Resolution back before the Board at a later time.

Director Anderson stated in the Board Folder is a letter prepared by the 7-Basin States that was sent to the Bureau of Reclamation (BOR) relating to the EIS that is going to be prepared by the BOR next year. The letter is intended to help the BOR with the scoping process. He also said the 7-Basin States are committed to work on developing alternative conjunctive management strategies and Lower Basin shortage guidelines acceptable to the 7-Basin States for the BOR to consider in the EIS. Director Anderson said he believes this will be difficult since there are many unanswered questions and conflicting positions between the Upper and Lower Basin States.

On September 19th the Bureau of Reclamation held a meeting on the adoption of the 2006 Colorado River Annual Operating Plan. The Secretary of the Interior, however, is having a hard time deciding whether or not to hold a Mid-Year Review. The Lower Basin States would prefer it not be held while the Upper Basin States would like the Secretary to hold a Mid-Year Review.

Meeting adjourned at 5:45 p.m.

Approved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
September 30, 2005

Crystal Inn
480 Westland Drive
Brigham City, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the August 11, and 12, 2005 Board meetings were approved as prepared. page 1
2. The Board authorized the Cub River Irrigation Company project in the amount of \$680,000 (55% of total project cost) at 0% interest to be returned in approximately 17 years with \$42,000 annual payments. This is contingent upon the remaining \$556,000 (45%) of project costs being contributed by the company and the Idaho Water Resources Board. The \$680,000 amount is all the state of Utah will fund on this project. page 2
3. Funds were committed to the Deseret Irrigation Company in the amount of \$88,000 (80%) to be returned in two years at 0% interest with annual payments of \$48,000 in 2009 and approximately \$40,000 in 2010. page 2
4. The San Juan Water Conservancy District contract was amended to grant an additional \$780,000 for the Recapture Dam dam safety upgrade making a total of \$2.8 million granted to the district. page 3
5. The Board provided Gunnison City an additional \$490,000. Gunnison City will repay the new \$953,000 bonded indebtedness in 25 years at 1% interest, beginning in 2006, with payments ranging from approximately \$15,800 to \$56,000. page 4
6. The Logan, Hyde Park, Smithfield Canal Company and Millville City applications were withdrawn from further consideration by the Board. The Santaquin City and West Point City projects were deauthorized and withdrawn from further consideration by the Board. page 4
7. The Board committed up to \$150,000 from the Revolving Construction fund for next years operational cloud seeding program. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, September 30, 2005, at the Crystal Inn, 480 Westland Avenue, Brigham City, Utah. Chair Ivan Flint presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Ivan Flint
Brad Hancock
George Harmond, Jr.
Harold Shirley
Paul McPherson
John Carman
Blair Francis

STAFF MEMBERS PRESENT:

Dennis Strong, Deputy Director
Eric Millis, Asst. Director
Steve Wilde, Chief, Investigations
Todd Adams, Chief, Hydrology and Computer Applications
Randy Staker, Accountant
Geralee Murdock, Administrative Secretary

OTHERS PRESENT:

Gale C. Moser, President, Cub River Irrigation Company
Regan Wheeler, CEO, Cub River Irrigation Company
Max Gilbert, Secretary, Cub River Irrigation Company
Eric Franson, Franson Noble Engineering

Scott Hermansen, Mayor, Gunnison City
Rodney Taylor, Councilman, Gunnison City
Steven Buchanan, Councilman, Gunnison City
Jay Franson, Franson Noble Engineering

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
September 30, 2005

Chair Flint welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Brad Hancock made the motion to approve the minutes of the August 11 and 12, 2005 meetings. Paul McPherson seconded the motion and the Board agreed unanimously.

CHAIR'S REPORT

Chair Flint thanked Eric Millis and Board Member Blair Francis for the excellent tour they arranged on Thursday. He also expressed appreciation to the Bear River Canal Company and Bear River Water Conservancy District for their efforts regarding the tour and the lunch at Maddox Restaurant. He also said Frank Nishiguchi, who recently passed away, was the manager of the Bear River Water Conservancy District for many years and said he worked hard and accomplished a lot while district manager.

Chair Flint said Blair Francis would like to express, in behalf of the Woodruff Narrows Reservoir Company, appreciation for the Board and Division of Water Resources for their financial help as it has made its final payment. He read a letter from Sim Weston, president of the Woodruff Narrows Reservoir Co. expressing those same sentiments.

FEASIBILITY REPORT

#E-173 Cub River Irrigation Company

Chair Flint introduced Gale Moser, president; Regan Wheeler, CEO; Max Gilbert, Secretary and Jay Franson and Eric Franson, engineers. Steve Wilde reported the company diverts water from the Cub River about four miles east of Whitney, Idaho and transmits it westward in the Cub Canal and the Middle Ditch which combine before splitting into the Upper and Lower Canals. The Upper Canal provides water for southern portions of Idaho before flowing into the East Canal which carries water into Cache Valley. About 75% of the 27,000 acres the company provides water for are in Utah. The company would like to improve its system by installing a pressurized pipeline to serve the area presently served by the Upper Canal.

The company is requesting financial assistance to install about nine miles of gravity-pressurized PVC pipeline. The total estimated cost of the project is \$1.236 million. Franson and Noble Engineering will provide technical assistance.

Staff suggests the Board provide 23.5% of the project costs or \$290,000 (90% “high” Board cost sharing percentage x 26% of project benefits in Utah x \$1.236 million). The irrigation company requests the Board provide 60% of the project costs or \$742,000 (80% “average” Board cost sharing percentage x 75% of company land in Utah x \$1.236 million).

Cub River Irrigation Company has received financial assistance from the Board on six previous occasions. Five of the projects are paid off. The last one will be paid off in 2007. The Board presently holds title to the irrigation company’s water rights, which are on the Cub and Bear Rivers with the filings listed in Idaho.

After discussion regarding the amount of land and benefits that accrue to Utah, Brad Hancock asked if the funding being requested from the Idaho Water Resources Board was firm. Gale Moser said it has tentatively been approved; the details have to be worked out. The company will be able to receive no more than \$500,000 per year, at 5% interest and 20-year repayment period, from Idaho. Mr. Moser said if the Board would provide more than the staff’s recommended \$290,000 it would help the company’s financial status a lot. The company would also like to see the staff recommended 17-year repayment period extended.

Blair Francis made the motion to authorize the Cub River Irrigation Company project in the amount of \$680,000 (55% of total project cost) at 0% interest to be returned in approximately 17 years with \$42,000 annual payments. This is contingent upon the remaining \$556,000 (45%) of project costs being contributed by the company and the Idaho Water Resources Board. The \$680,000 amount is all the State of Utah will fund on this project. George Harmond, Jr. seconded the motion and the Board unanimously agreed.

COMMITTAL OF FUNDS

#E-179 Deseret Irrigation Company

Steve Wilde reported that, four years ago, the Board authorized the company’s \$900,000, multi-phase project to pipe approximately 12,000 feet of the South Hinckley Canal, and concrete-line approximately 9,500 feet of the Old Deseret Canal. To date, nearly two miles of canal have been piped and 3,200 feet lined. The company is ready to proceed with Phase IV, concrete-lining the next 4,000 feet of the Old Deseret Canal.

Harold Shirley made the motion to commit funds to the Deseret Irrigation Company in the amount of \$88,000 (80%) to be returned in two years at 0% interest with annual payments of \$48,000 in 2009 and approximately \$40,000 in 2010. Paul McPherson seconded the motion and the Board agreed unanimously.

DAM SAFETY CONSTRUCTION FUNDING

#C-026 San Juan Water Conservancy District

Dennis Strong reported the district has completed the first phase of the Recapture Dam safety upgrade by constructing a stability berm at its downstream toe. and is currently moving toward the last portion of the upgrade: replacement of the emergency spillway, which was removed as part of the berm construction. It was initially anticipated a second spillway (not part of the committed project) would be constructed over the cost of the dam to carry flows that the replaced emergency spillway wouldn't. It has since been decided to increase the capacity of the emergency spillway channel to carry all flood flows making the additional spillway unnecessary; this modification increased the total cost of the Recapture Dam upgrade. An agreement had been made with UDOT to bring materials in to build the berm. The district had to pay UDOT \$350,000 to move the material; this also added to the increased cost. The district therefore requests \$780,000 additional grant funds to cover the additional costs.

George Harmond, Jr. made the motion to amend the San Juan Water Conservancy District contract to grant an additional \$780,000 for the Recapture Dam dam safety upgrade making a total of \$2.8 million granted to the district. Blair Francis seconded the motion and it was unanimously agreed upon by the Board.

SPECIAL ITEMS

#E-088 Gunnison City

Chair Flint introduced Scott Hermansen, mayor; Rodney Taylor, councilman; Steven Buchanan, councilman; and Jay Franson, engineer. Steve Wilde reported the Board committed \$477,000 to the city to help make improvements to its pressurized secondary irrigation system. After the original project was completed, the city used "leftover" Board funds to replace about 10,000 feet of the Peacock Springs transmission pipeline, which serves water to both the city's culinary water and secondary irrigation systems.

The remaining 20,000 feet of Peacock Springs pipeline that was not replaced is a maintenance problem for the city, therefore the city is requesting additional funds to replace it. The additional cost would be \$612,000. The city requests the Board provide 80%, or \$490,000, making a new bonded indebtedness of \$953,000 (\$14,000 in principal has been paid on the existing bond). Staff is recommending it be repaid in 25 years at 1% interest. The city is requesting it be repaid in 25 years at ½% interest. The Board discussed the request of ½% interest, and decided it would not be prudent to go below 1%.

Mr. Buchanan said if you touch the Peacock Springs pipe, it breaks, and the city hoped it could pay for the replacement of it; all additional funds have gone into maintenance and repair, however. Mr. Franson said although the city had budgeted \$60,000 a year to replace the pipe as it went along, it is spending \$30,000 to \$40,000 to replace one little piece; it never gets ahead. At this point the city feels it needs to request additional funds to replace the entire 20,000 feet.

Brad Hancock said the city would probably need a new bond as opposed to an amended one. Mr. Franson said the city's bond attorney would be meeting with them next week to prepare one. Brad Hancock made the motion to provide Gunnison City an additional \$490,000, and to state the city will repay the new, \$953,000 bonded indebtedness in 25 years at 1% interest, beginning in 2006, with payments ranging from approximately \$15,800 to \$56,000. George Harmond Jr. seconded the motion and the Board unanimously agreed.

#E-096 Logan, Hyde Park, Smithfield Canal Company

The company requested assistance to replace about two miles of irrigation canal with pipeline. Because stockholders are no longer interested in constructing the project because of cost and unavailability of grant funds, staff recommends the company's application be withdrawn.

#E-147 Santaquin City

The Board authorized \$1 million (9.6%) to the city as part of an interest-rate buydown for construction of a pressurized secondary irrigation system. The Community Impact Board voted to fund the project, therefore staff recommends the project be deauthorized and withdrawn from further consideration by the Board.

#L-546 West Point City

The Board authorized \$410,000 (25%) to the city to help it improve its culinary water system by constructing a two million gallon concrete storage tank with booster pumping station and installing a pipeline to connect it to the existing system. The city completed the project with its own resources and does not need Board funding so staff recommends the city's application be deauthorized and withdrawn from further consideration.

#L-548 Millville City

Millville City requested assistance from the Board to improve its culinary water system by constructing a storage tank and installing distribution pipelines, pressure regulating stations, and a pumping station. According to the Board's guidelines, the city could repay a Board loan at 5% interest. The city pursued an open market loan at 4.52% interest instead, so staff recommends its application be withdrawn from further consideration.

Paul McPherson made the motion to withdraw the Logan, Hyde Park, Smithfield Canal Co., and Millville City applications from further consideration by the Board. plus deauthorize and withdraw the Santaquin City and West Point City projects. John Carman seconded the motion and the Board agreed unanimously.

COMMITTAL OF CLOUD SEEDING FUNDS

Eric Millis said staff is recommending the Board commit \$150,000 out of the Revolving Construction Fund for next year's operational cloud seeding project. He said in 1976 the Board began to cost-share with local sponsors for cloud seeding projects with money from the Revolving Construction Fund. In 1989 the Legislature authorized the Board to cost-share with local sponsors for 50% of the construction project costs up to \$150,000. Last year in January the program was suspended in the Washington County, Upper Sevier River and Uinta Basin areas because of potential flooding. As a result, the cost of last years program was less than it had originally been estimated and remaining Board funds lapsed back to the Revolving Construction Fund.

Harold Shirley made the motion the Board commit up to \$150,000 from the Revolving Construction Fund for next year's operational cloud seeding project. John Carman seconded the motion and it was unanimously agreed upon by the Board.

DIRECTOR'S REPORT

Dennis Strong, Deputy Director, stated that due to the length of repayment agreements the Division/Board do not see many projects turned back to its company. It is good to see the system work and to have the water right and project property returned to the Woodruff Narrows Reservoir Co. It is also refreshing to hear accolades to the Board and staff about the good you do.

Mr. Strong stated staff hopes the Board enjoys taking trips through different areas of the state so they can see some of the projects the Board is involved with. He said the tour on Thursday was a good tour and even though we had seen some of it before it reminds everyone there is still a lot to be done.

Chairman Flint expressed appreciation to the Board and to the staff. He said he appreciates visiting the different areas of the state to see what is happening. There is many things we can take a second look at and get involved with.

NEXT BOARD MEETING

The next Board meetings will be held October 28, 2005 with a Briefing Meeting in the morning and a Board meeting in the afternoon.

Meeting adjourned at 9:35 a.m.